

FISCAL NOTE

HB 420 - SB 1614

March 26, 2001

SUMMARY OF BILL: Requires the Tennessee Board of Regents (TBR) to establish a charter school on the campus of each state community college for the purpose of providing remedial and development courses to enable entering college students to complete entrance requirements for community colleges and other two and four-year state higher education institutions.

The TBR would be required to apply for available federal funding for charter schools. Any required matching funds would be allocated from funds already appropriated to the TBR or University of Tennessee Board of Trust for remedial or developmental programs or coursework. Matching funds would also be obtained from any local education agency (LEA) whose graduates are required to take remedial or development courses within two years of such person's high school graduation from an LEA in Tennessee. However, no recovery of funds shall occur if a student is required to take a course which was not available in the curriculum of the LEA attended by such student.

The following individuals would qualify for admission to such a charter school:

- Any student who would otherwise qualify to attend a higher education institution.
- Any high school junior or senior attending an LEA that does not offer all courses for admission to state two or four-year institutions; or
- Any high school junior or senior that is deficient in courses required for admission to state two or four-year institutions.

The TBR would be required to report on a semi-annual basis to the Joint Oversight Committee on Education and to the House and Senate Education Committees regarding these charter school programs.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$2,000,000

Increase Local Govt. Expenditures* - Exceeds \$100,000

Details of the estimate are shown below:

Avg. Expected New students <u>Per campus</u>	Expected Number of <u>Students</u>	Credit Hours <u>Expected</u>	FTE Expected <u>(Hrs./15)</u>	2-Yr College State <u>Subsidy</u>	<u>Total</u>
100	1,300	7,800	520	\$3,988	\$2,073,760

HB 420 - SB 1614

This estimate is based on the following assumptions:

- It is estimated that on average, 100 new students for each of the 13 two-year campuses will attend over those currently enrolled.
- Each student will take an average of two courses to remove deficiencies or for remedial/developmental work.
- The average student subsidy for two year institutions is \$3,988.
- This estimate does not include cost for auxiliary services for high school juniors or seniors such as transportation, if required, from the high school to the campus.
- This estimate does not include adjustments for grants received from other sources.
- Local government expenditures are estimated to increase to the extent matching funds would be obtained from any LEA whose graduates are required to take remedial or development courses within two years of graduation. An average of 49.4% of the freshmen entering a two-year or four-year college or university in 2000 took one remedial and development course. Such increase in local government expenditures are estimated to exceed \$100,000.

It should be noted: The community colleges already offer remedial/developmental courses; however, courses covering deficiencies are not part of the current remedial and developmental program so these offerings would result in an increase in the number of students needing courses. Courses covering college admission deficiencies a student may need would include foreign language, algebra, and other required high school courses as set in college admission standards.

Currently, there are no federal funds available for charter schools that serve post-secondary students even though the bill requires the TBR to apply for available federal funds for charter schools. Federal funds for charter schools are available for K-12 institutions only.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director